DECLASSIFIED AND RELEASED BY EGIA-5291 CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZIWAR CRIMES DISCLOSURE ACT - 2 SEPT. 1953 DATE 2006

Chief, EE

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INFO: COM, Bonn

Operational/ZIPHER

Contact Report - 29/30 August Meeting with General HEUSINGER

- EGLA-5241 Reference

- 1. Upon the HEUSINGERS! return from Austria, they were houseguests of the undersigned for several days, Amone other social activities, we included a dinner with the I This was the first opportunity Wallop has had to converse with HEUSINGER since the latter's stateside visit.
- 2. In an atmosphere of congeniality, HEUSINGER renormted his reflections of the trip to the United States for the benefit of . . HEUSINGER stated he and BLAKK were most impressed with their journey and considered it a very beneficial experience toward their defense planning activities. They were porticularly pleased and grateful for the wenderful reception absorded them throughout their tour.
- 3. As partains to the MURARK interest of their trip, nothing startingly knew was mentioned (see reference). HEUSINGER was particularly impressed with the professional competence and intimate knowledge Asabam, Enight and mofessed on the ZIPIER complex.
- mentioned some of the recent difficulties encountered with UTILITY, particularly the demands to abolish the opposite number system and reduction of the FOB staff. Contrary to UTILITY's oft-repeated statement that the major deterrent to the future legalization of UNSWING will be the American label and the influence the U.S. has emerted on the ZIFFER organisation, HERSIEGER reflected that at no time has he ever heard any objection to ZIFFER's legalization in respect to the American influence, etc. To the contrary, American involvement is considered a natural and accepted event in view of the subsidy of ZIPPER and, in general, due to the major rele the W.S. plays in European foreign policy. HEUSINGER opines that UTILITY's main aim in eleminating the opposite master system and reduction of the FOB staff is based on UTILITY's strong desire to eliminate KURARK operational insight to his modus operandi and intelligence personalities. This has been bothering UTILITY for a long time - not so much in the evaluation and

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reports field (since little insight of the ZIPFER activities can be observed there) as in the collection, CI/CE and other operational elements of ZIPFER.

- 5. Pertaining to UTILITY and ZIPPER's internal political meddling, HEUSINGER named Franz Josef STRAUSS, head of the German Committee for EDC, MELLIES and EHIER of the SFD as three gentlemen who have levelled the charge. HEUSINGER does not think they have any specific acts to cite but rather were expressing a general fear based on what they have heard of the many ZIPPER domestic informants in the so-called "Epecial Commection" activities. HEUSINGER thinks the best manner to eliminate much of the fear and suspicion is for UTILITY to renew and establish closer contact with OLIENHAUER and the SFD where the rumor of ZIPPER's internal machinations seems to be the most prevalent. In contrast to HEUSINGER's statements to Wetwore concerning his personal opinion of 35 activities, he gave the impression of no personal objections to the activities in this field and indicated an objective need and necessity for the 35 shop.
- 6. On 29 August HEUSINGER had a two-hour conference with UTILITY during which time there reportedly was a detailed discussion of present problems and an exchange of views regarding the future. HEUSINGER stated he found UTILITY in good spirits, relatively optimistic and objective. Allegedly, UTILITY did not belabor the opposite number system with HEUSINGER except to state that a solution to the future relationship must be found. Apparently UTILITY is finding it increasingly difficult to maintain a delicate balance, serving and satisfying both KUBARK and the ever-increasing demands of UFGROWTH.
 - 7. Other points related by HEUSINGER:
- (a) UTILITY will see OLIENHAUER and others of the SPD in the near future with the hope of getting a reconfirmation of top SPD support.
- (b) On or about 15 September UTILITY will visit UPTHRUST and discuss with him the problems of his organization and attempt to find a solution to the relationship of ZIPPER with UPGROWTH.
- (c) Discussion about the possibility of legalization of UHSWING without waiting for the ratification of the treaties. UTILITY and HEUSINGER are of the opinion that the legalization of UHSWING can come about in the near future if the U.S. is in favor of this move and is prepared to exert some political pressure on the British and the Franch.
- (d) Some discussion on the future of KUBARK liaison; however, HEUSIEGER did not go into details except to say that it is his understanding that there will be liaison in Munich (covert) and in Bonn (overt).



- 8. Militarily speaking, HEUSINGER again stated BLANK and the German Defense Flanning group is deliberately refraining from intelligence organization discussion until UPTHRUST makes a final official decision regarding the establishment of a centralized GIS (apparently BLANK is not completely convinced that UPTHRUST has made a conclusive decision regarding ZIPPER). BLANK informed HEUSINGER if UPTHRUST's decision is favorable toward a GIS the future Defense Ministry will establish a small evaluation staff and that office will be satisfied to receive the collection effort from the GIS. If UPTHRUST's decision is unfavorable, the Defense Ministry will establish its own collection group. HEUSINGER then stated it is unclear at this time whether this would involve incorporating UTILITY and ZIPPER into the present CAPOTE organization or some other plan will have to be formulated.
- 9. The "Vebersicht" is considered a very worthwhile intelligence summary for UFGROWTH officials according to HEUSINGER. He suggested the weekly publication could be more valuable, particularly for UFTHRUST, if the substance of the information were further condensed (total summary not more than four pages) and the timeliness of dissemination were improved.
- 10. HEUSINGER mentioned the controversy of ZIPFER reports to the BLANK office; however, he related no details except the old hat that UTILITY has repeatedly stated to BLANK that prior to the dissemination of reports to the latter's office, UTILITY must have assurance that they will not eventually fall into the hands of CAPOTE an assurance which BLANK thus far has refused to grant.
- 11. Speaking of CAPOTE, HEUSINGER stated that, after studying the report of investigation on CAPOTE, his recommendation to BLANK was to dismiss him from office. However, he does not know whether his recommendation was accepted. HEUSINGER will look into this matter first thing beginning September.
- 12. HEUSINGER promised to keep us informed on post election maneuvers involving UPCRONTH/ZIPPER/BLANK information coming to his attention.

Approved: